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14 July 1972

MEMORANDUM FOR: Mr. Arthur B. Laffer, Economist

Office of Management and Budget

SUBJECT

: CIA Support to Treasury

1. As you requested at our meeting on 10 July, I have reviewed the dissemination of CIA's intelligence product to Treasury officials during the last fiscal year. Since your primary concern is with economic intelligence, I am attaching to this memorandum a detailed listing of our economic reports sent to Treasury. Tab A is a listing of those published Intelligence Memoranda or Intelligence Reports which were disseminated to Treasury officials at our initiative. Tab B is a listing of "S-Projects" which are typescript memoranda prepared in response to specific requests from Treasury officials.

2. In addition to the economic intelligence product received from the Office of Economic Research (OER), the Treasury Department receives the following production from other CIA offices:

Office of Current Intelligence (OCI)

The Secretary of the Treasury receives regularly the Central Intelligence Bulletin (Black), the OCI Weekly Review, the Weekly Summary, and a single copy of almost each OCI Intelligence Memorandum or Report.

The Special Assistant to the Secretary for National Security Affairs receives the Central Intelligence Bulletin (Red), the Weekly Review, and all of the OCI Country Handbooks.

OF E. D. 11852, ELERPHON CATEGOR (58(1)/(2)/(3) or (4) (circle one or more)

Approval of the DCI

In addition to the above reports, Treasury is provided five copies of each issuance of the Central Intelligence Bulletin (White) and the Weekly Summary.

Office of Basic and Geographic Intelligence (OBGI)

Dissemination of the National Intelligence Surveys (NIS) to other Treasury officials is as follows:

The Office of International Finance receives automatically all the Electric Power and the Manufacturing and Construction sections produced under the NIS program.

Reprints of the Economic Sections of all General Surveys are disseminated to the following Treasury components:

- -- Special Assistant to the Secretary, National Security Affairs
- -- Office of Industrial Nations Finance
- -- Office of Development Finance
- -- Office of Assistant Secretary for International Affairs

In addition to its NIS production, OBGI, beginning in April 1972, has been making standard distribution of all Geographic Memoranda and Geographic Reports to Treasury's USIB representative.

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Central Reference Service (CRS)

CRS is our focal point for the dissemination of CIA information reports to other Government departments. During the past year, CRS disseminated to Treasury more than 1,200 information reports (i.e., unevaluated) produced by the Clandestine Service and about 600 information reports produced by the Domestic Contact Service. In addition, the CRS responded to 41 requests from Treasury officials for biographic data on 219 personalities. Most of these were prepared in support of the Secretary and other ranking officials on the occasion of their travel abroad or negotiations in Washington with officials of foreign governments.

- 3. As you can see Treasury is receiving the bulk of CIA's intelligence production with the exception of that relating to military affairs. Steps are now in process to provide for broader dissemination of CIA information reports to Treasury officials on the basis of a statement of intelligence requirements recently submitted by Treasury's USIB representative.
- 4. Thus in terms of standard or routine dissemination of the CIA product, I judge that Treasury's day-to-day intelligence requirements are being met through established channels.
- 5. Our most important intelligence support, of course, will be that responding to direct requests from the Secretary and other high-ranking officials. Much of this effort will necessarily involve sensitive activities and require strict dissemination. Many of the requests will also involve highly complex questions so that a clear understanding of what is needed will be imperative if our support is to be fully responsive. For these reasons I believe that this type of high-level direct policy support should not be handled through routine channels. To be most effective, we should have a point of contact who has easy access to the Secretary, enjoys his confidence, and has a high degree of substantive competence. When such a person is designated, I would be pleased to meet with him to discuss arrangements for providing policy support to the Secretary.

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PAUL V. WALSH Acting Deputy Director

Attachments

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ADDI/PVWalsh/tb (14 July 72)

Distribution:

Original & 1 - Addressee w/atts

1 - D/OCI w/o atts 1 - D/OER w/o atts

1 - D/CRS w/o atts D/OBGI w/o atts 1 - DDI Filo w/atts

1 - DDI Chrono w/o atts

1 - ADDI Chrono w/o atts

ce: CL/NISD + CL/GD